



NEW RULES CONCERNING VOLATILE ORGANIC COMPOUND EMISSIONS FROM REINFORCED PLASTIC COMPOSITES PRODUCTION FACILITIES AND BOAT MANUFACTURERS

#05-166(APCB)

Overview

Amends 326 IAC 8-1-6 to exempt boat manufacturing facilities that are subject to 326 IAC 20-48 and reinforced plastics composites production facilities that are subject to 326 IAC 20-56 from 326 IAC 8-1-6.

Citations Affected

326 IAC 8-1-6. New facilities: general reduction requirements.

Affected Persons

Businesses that emit styrene subject to 326 IAC 20-48 and 326 IAC 20-56 and the public in the vicinity of such businesses. In addition, the American Composites Manufacturing Association, a trade association that represents sources subject to 326 IAC 20-48 and 326 IAC 20-56 has been informed of this rulemaking.

Reason or Reasons for the Rule

State law requires that new facilities that are not regulated by a provision in 326 IAC 8, the volatile organic compound (VOC) rules, and that have potential emission of 25 tons or more per year of VOC are required to reduce VOC emissions using best available control technology (BACT). The BACT analysis is a case-by-case determination. This rulemaking will exempt sources that emit styrene and that are subject to maximum achievable control technology (MACT) standards, at 326 IAC 20-48 or 326 IAC 20-56, from 326 IAC 8-1-6 provided they are in compliance with the applicable MACT standard. This rule, as amended, will be submitted to U.S. EPA for approval as part of the state implementation plan (SIP).

Economic Impact of the Rule

Sources will save time and money because they will not be required to do a separate BACT analysis.

Benefits of the Rule

Affected sources will have certainty and a greater ability to plan a project, as well as time and resource savings, because they will not have to do a BACT analysis for affected facilities. The permitting process will be faster and more efficient, reducing the burden on affected sources and IDEM's resources. The public will benefit from this rule because they will know with certainty the VOC reduction requirements that apply to boat manufacturing facilities and reinforced plastics

composites production facilities that use styrene in their production processes.

Description of the Rulemaking Project

The purpose of this rulemaking is to improve the clarity and predictability of the emission control requirements for certain new sources of VOC emissions. The timeliness of permit decisions will be improved for these sources. Currently, new facilities not regulated by a provision in 326 IAC 8 and which have potential emissions of 25 tons or more per year of VOC are required to reduce VOC emissions using BACT under 326 IAC 8-1-6. Establishing BACT is a case-by-case determination based on the maximum reduction in emissions that is technically feasible, while taking into account energy, environmental, and economic impacts. Uncertainty is inherent in most of these analyses. Establishing specific standards in place of case-by-case analyses improves the clarity, predictability and timeliness of permit decisions involving emissions units that are currently subject to 326 IAC 8-1-6.

Styrene is classified as both a hazardous air pollutant (HAP) and a VOC and is the predominant regulated air pollutant from sources subject to 326 IAC 20-48, which incorporates by reference 40 Part 63, Subpart VVVV (Boat Manufacturing), and 326 IAC 20-56, which incorporates by reference 40 Part 63, Subpart WWW (Reinforced Plastics Composites Production). Numerous case-by-case analyses for sources subject to 326 IAC 20-48 or 326 IAC 20-56 have been submitted to, and approved by, IDEM. These analyses have established that the emission limitation in the applicable national emission standards for hazardous air pollutants (NESHAP) satisfy the requirement for BACT. However, 326 IAC 8-1-6 requires the applicant to compile the energy, environmental, and economical analyses of alternative controls and IDEM staff must review and approve these analyses. For sources subject to 326 IAC 20-48 or 326 IAC 20-56, this rulemaking will reduce the administrative burden for both the applicant and IDEM since compliance with the applicable NESHAP will assure that BACT requirements have been addressed and met.

This rulemaking will establish that, for sources subject to 326 IAC 20-48 or 326 IAC 20-56, compliance with the

applicable NESHAP satisfies the 326 IAC 8-1-6 requirement for such sources.

Scheduled Hearings

First Public Hearing: December 5, 2005, Conference Room A, Indiana Government Center - South, 402 West Washington Street, Indianapolis, Indiana.

Second Public Hearing: To be determined.

Consideration of Factors Outlined in Indiana Code 13-14-8-4

Indiana Code 13-14-8-4 requires that in adopting rules and establishing standards, the board shall take into account the following:

- 1) All existing physical conditions and the character of the area affected.
- 2) Past, present, and probable future uses of the area, including the character of the uses of surrounding areas.
- 3) Zoning classifications.
- 4) The nature of the existing air quality or existing water quality, as appropriate.
- 5) Technical feasibility, including the quality conditions that could reasonably be achieved through coordinated control of all factors affecting the quality.
- 6) Economic reasonableness of measuring or reducing any particular type of pollution.
- (7) The right of all persons to an environment sufficiently uncontaminated as not to be injurious to:
 - (A) human, plant, animal, or aquatic life; or
 - (B) the reasonable enjoyment of life and property.

Consistency with Federal Requirements

The rule, as amended, is consistent with federal rules.

Rulemaking Process

The first step in the rulemaking process is a first notice of comment period published in the *Indiana Register*. This includes a discussion of issues and opens a first comment period. The second notice is then published which contains the comments and the departments responses from the first comment period, a notice of first meeting/hearing, and the draft rule. The Air Pollution Control Board holds the first meeting/hearing and public comments are heard. The proposed rule is published in the *Indiana Register* after preliminary adoption along with a notice of second meeting/hearing. If the proposed rule is substantively different from the draft rule, a third comment period is required. The second public meeting/hearing is held and public comments are heard. Once final adoption occurs, the rule is reviewed for form and legality by the Attorney General, signed by the Governor, and becomes effective 30 days after filing with the Secretary of State.

IDEM Contact

Additional information regarding this rulemaking action can be obtained from Patricia Troth, Rule Development Section, Office of Air Quality, (317) 233-5681 or (800) 451-6027 (in Indiana).